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EXTRAORDINARY

PART II—Section 3—Sub-section (ii)

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MINISTRY OF FINANCE

(Department of Economic Affairs)

NOTIFICATION

New Delhi-2, the 14th November 1960

S.O. 2751—In exercise of the powers conferred by sub-section (2) of section 45 of the Banking Companies Act, 1949, the Central Government, after considering an application made by the Reserve Bank of India under sub-section (1) of that section, hereby makes an order of moratorium in respect of the New Citizen Bank of India Ltd, Bombay, for the period from the 15th November, 1960 to the 14th February, 1961 (both days inclusive) and hereby stays the commencement or continuance of all actions and proceedings against that banking company during the period of moratorium.

2 The Central Government hereby also directs that the New Citizen Bank of India Ltd may, during the period of the moratorium granted to it, make payments in discharge of its liabilities and obligations to the extent and in the manner provided hereunder—

- (i) the amounts of any drafts or pay orders issued by the said bank and remaining unpaid on the date on which the order of moratorium comes into force;
- (ii) the amounts of the bills received for collection on or before the 14th November, 1960 and realised before, on, or after that date;
- (iii) all revenues, taxes, cesses and rates due from the said bank to the Central or to a State Government or to local authorities;
- (iv) rents for any buildings, godowns or other premises, provided that such payments shall not be in excess of the rates provided for in the relevant deeds of lease or contract, or other agreements, or in the absence of any such deeds or agreements the rates at which the payments were made before the date on which order of moratorium comes into force;
- (v) charges on account of water supply and electricity including meter rent;
- (vi) all wages, salaries or other remuneration due to the employees who were in the service of the bank on the 14th November, 1960, at the rates at which they would have ordinarily been payable;
- (vii) any expenditure which has necessarily to be incurred in connection with any suits filed or decrees obtained by the said bank or for realising any amounts due to it, provided that if any such expenditure is in excess of Rs 250, the permission in writing of the Reserve Bank of India shall be obtained before it is incurred

3. The Central Government hereby further directs that during the period of the moratorium, the New Citizen Bank of India Ltd., Bombay, shall be permitted to operate its accounts with the Reserve Bank of India or with any other bank for the purposes of making the payments aforesaid, provided that nothing in this order shall be deemed to require the Reserve Bank of India or any other bank aforesaid to satisfy itself that the conditions imposed by this order are being observed before any amounts are released in favour of the New Citizen Bank of India Ltd.

4. The Central Government hereby further directs that the New Citizen Bank of India Ltd. may during the period of moratorium return any bills which have remained unrealised to the persons entitled to receive them on a request being made in this behalf by such persons, if the bank has no right or title to, or interest in, such bills.

5. The Central Government hereby also directs that the New Citizen Bank of India Ltd. may release or deliver goods or securities which may be pledged, hypothecated or mortgaged or otherwise charged to it against any loan, cash credit or overdraft

- (i) in any case in which full payment towards all the amounts due from the borrower or borrowers, as the case may be, has been received by the bank, unconditionally; and
- (ii) in any other case, to such an extent as may be necessary or possible, without reducing the proportions of the margins on the said goods or securities below the stipulated proportions or the proportions which were maintained before the order of moratorium came into force, whichever may be higher.

[No. F. 4(129)-BC|60.]

A. BAKSI, Jt. Secy.